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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1713

03/01/2021

Authored by West

The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act
1.2 relating to transportation; taxes; modifying the allocation of motor vehicle rental
1.3 fee revenue; amending Minnesota Statutes 2020, section 297A.64, subdivision 5.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2020, section 297A.64, subdivision 5, is amended to read:

1.6 Subd. 5. **Payment of excess fees.** (a) On the first sales tax return due following the end
1.7 of a calendar year during which a lessor has imposed a fee under subdivision 2, the lessor
1.8 shall report to the commissioner of revenue, in the form required by the commissioner, the
1.9 amount of the fee collected during the previous year and the amount of motor vehicle
1.10 registration taxes paid during the previous year by the lessor under chapter 168 on vehicles
1.11 subject to the fee under this section.

1.12 (b) If the amount of the fees collected exceeds the amount of motor vehicle registration
1.13 taxes paid, the lessor shall remit the excess to the commissioner of revenue at the time the
1.14 report is submitted.

1.15 (c) Notwithstanding paragraph (b), for fee collections in calendar years 2021 through
1.16 2025, the lessor may retain any excess fees collected such that the total retained under this
1.17 paragraph does not exceed the shortfall amount. For purposes of this paragraph, "shortfall
1.18 amount" means the greater of (1) zero, or (2) the total motor vehicle registration taxes paid
1.19 in calendar year 2020, less the total collected by the lessor in 2020 from the fee imposed
1.20 under subdivision 2.